



CASCADE LOWER CANYON
COMMUNITY FOREST

Request for Proposal Package

RFP TITLE: Forest Marketing and Finance Services

RFP #: 2017-01

DATE ISSUED: September 18, 2017

CLOSING TIME/DATE: Friday October 6, 2017 4:00
p.m., Local Time

Cascade Lower Canyon Community Forest
General Partner Corp (CLCCF)

1. INTRODUCTION

This Request for Proposals (RFP) is being issued by the Cascade Lower Canyon Community Forest General Partner Corporation (CLCCF). The CLCCF is moving from third party managed forest operations to internally managed forest operations and expects that the successful applicant can assist in this transition. It is expected that the CLCCF will control and manage every aspect of the community forest planning and operations. The CLCCF is seeking proposals from qualified proponents (Proponents) in response to this RFP, to provide strategic timber marketing advice for project development, to be the timber marketing agent for the CLCCF timber, and to provide financing for the timber development projects associated with the CLCCF License K3J. CLCCF will be looking for a partnership arrangement with chosen Proponent, to be negotiated immediately after the completion of this RFP process. The suggested term of a partnership arrangement is five years with an estimated volume of five years of **AAC 154,500m³**.

1.1 General Background:

COMMUNITY FOREST AGREEMENT:

The CLCCF entered into a replaceable 25-year Community Forest Agreement (CFA), license K3J, on December 14, 2011 with the Ministry of Forests Lands and Natural Resource Operations (MFLNRO). The CFA has an Allowable Annual Cut (AAC) of 30,900 cubic metres (m³) of crown timber from a designated total land base of 22,279 hectares, which includes a Timber Harvesting Land Base (THLB) of about 8,000 hectares.

OWNERSHIP AND CORPORATE STRUCTURE:

The CLCCF has three equal shareholders, the Fraser Valley Regional District, the Yale First Nation and the District of Hope. The normal structure is for a Board of 6 with each shareholder appointing 2 representatives as Directors. A General Manager provides overall management services for the CLCCF and reports to the Board. The successful Proponent will conduct all work through the General Manager.

LAND BASE AND FOREST:

The CLCCF is a designated area-based CFA tenure largely surrounding Hope. There are four distinct sections and in relation to Hope, they are: i) the Silver Skagit area to the south, ii) the Stulkawhits, Nicklemine and North Emory Forest Service Roads to the north-west, iii) the Squeah Forest Service Road area to the north-east, and iv) a section near Sunshine Valley east of Hope along Highway 3. The licence area extends almost as far north as Yale on both sides of the Fraser River. Appendix A shows a map of the CLCCF.

The 2006 timber supply review states that the THLB is comprised largely

of fir types (40%), with approximately 36% hemlock/balsam timber types, 7% spruce and 6% alder types, with minor components of pine (less than 2%) and cedar (0.5%). Approximately 20% of the timber harvesting land base is comprised of good sites, 50% is classified into the medium site group, 11% is classified as poor and 4% is considered low site. The all-inclusive site classification for the cedar, spruce and pine type groups represent approximately 9% of the THLB. The remaining 6% of the THLB area is unclassified alder types.

Approximately 83% of the CLCCF THLB is less than 80 years of age and 33% is less than 30 years old. Currently, 15% of the THLB is at, or above, the minimum mean area-weighted harvest age and 2% of the THLB is older than 250 years. The THLB area-weighted average site class is 20.8 m at breast height age 50, with a mean area-weighted MAI of 4.6 m³.

The CFA is also subject to certain areas of ungulate winter range, Spotted Owl special resource management zones, steep terrain, visual landscape and other restrictions or limitations on resource management.

CURRENT CUT CONTROL, HARVEST AND PLANNING STATUS

The CLCCF's second five-year cut control period will end on December 31, 2021. Since 2013, Tolko Industries has had a management and logging services agreement with the CLCCF that expired at the end of 2015. Currently CLCCF has an approved cutting permit for approximately 39,000m³. See attached Cutting Permit and estimated volume. CLCCF also has extensive recce work completed for a large portion of the Community forest.

LIDAR: To aid in planning, engineering and recce work, LIDAR terrain and timber data has been acquired for the entire CLCCF land base with and has been used by CLCCF since September 2015. The project has been done to a forest operational standard of 8 pulses per m². Deliverables included classified LiDAR points (ground/non-ground) in LAS/LAZ format in addition to the basic data products: digital elevation model; contours; hillshade; slopes; drainage; local maxima and canopy height model. The contours, local maxima and drainage data are in shapefile format while the digital elevation model, hillshade, slopes and canopy height model are in geoTIFF format.

CUT CONTROL: To date, 13,081m³ of the current five-year cut control has been harvested. January 1, 2016 was the start of the 2nd cut control period for the CLCCF.

MANAGEMENT PLAN, FOREST STEWARDSHIP PLAN AND MISSION/VISION:

The CLCCF Management Plan is dated October 27, 2011. Management objectives include not only those respecting timber resources, but also has

objectives regarding water quality, fisheries and riparian protection, recreation uses, cultural heritage, wildlife, botanical, visual aesthetics, biodiversity, soil conservation, public education and tourism. The Forest Management Plan will need to be reviewed and updated within the term of an agreement resulting from this RFP.

The Forest Stewardship Plan is a joint plan with Chinook BCTS and other licensees and was signed in 2013.

Additional information regarding the Management Plan, the Forest Stewardship Plan and other details regarding the CLCCF can be found on the CLCCF website at www.clccf.ca

Mission Statement: To provide an economic, social and cultural legacy for our local and regional communities and residents by managing the Cascade Lower Canyon Community Forest utilizing the principles of integrated use, economics, environmental stewardship, sustainability and social aspirations.

Vision Statement: Excellent sustainable community forestry values and practices will be developed and delivered efficiently in the Cascade Lower Canyon Community Forest. Hope and surrounding communities and their residents will be proud of the CLCCF and can expect an ongoing variety of economic, social and cultural benefits available from their community forest.

The successful Proponent will be expected to consider all the above plans, information, objectives and statements when conducting the work.

1.2 CLCCF's Objectives of the Work (Nature of Work):

In concert with the requirements and objectives mentioned in the above section and in agreement with the General Manager, the successful contractor will provide strategic forest marketing and finance services for the CLCCF, specifically:

- Harvest and Finance Approved Cutting permit CP017 approximately 39,000m³
- Fully utilizing the new LIDAR information, review the reconnaissance information that has been collected by the field engineering crew and validate the field reconnaissance. Assist in developing a strategic harvest plan for the term of this contract and 5 years beyond. This work would be additional to the cutting permit data the CLCCF already has.
- From the pool of identified viable harvest areas, provide strategic

direction, based on market analysis and CLCCF strategic planning documents, on cutting permit combinations and project development. The intent would be to complete harvest on the 5-year cut control volume and have the next five years cut control volume in the planning stages based market analysis.

- The harvesting that has been completed to date has been focused on relatively easy access areas mainly located in one drainage. Any additional reconnaissance and planning work for future projects will require consideration of achieving a sustainable (economical, physical and environmental) longer-term logging plan involving other parts of the community forest. Consideration is also to be given toward maintaining or increasing certain non-timber values/benefits of the community forest.
- Support CLCCF's application for a 'One Cutting Permit for the Community Forest.
- The successful Proponent is expected to track, record, and report all relevant project costs and log sale data into understandable spreadsheets or another agreeable format as well as being able to produce related reports. An example of this should be provide with the Proponent's proposal.
- By the end of the term of this agreement, it is expected that the Proponent will assist (working with CLCCF), in producing a viable 8 – 10 year sustainable harvest plan that has reasonable and flexible options for future permitting and markets.
- The above work is intended to be commenced by fall 2017 and substantially completed by the winter of 2021.
- When required, be available to aid the General Manager in providing other potential related tenure management services with examples such as budget projections, road layout, discussions with government agencies, the community and First Nations, advice on timber marketing, tracking harvesting and silviculture obligations, reporting activities to RESULTS or other government systems, use of the MFLNRO Harvest Billing System, conducting waste surveys etc. To clarify, the successful Proponent is required to be able to effectively perform the functions in this paragraph, but doing these tasks would not be guaranteed and would result from discussions and requests from the General Manager.

Proponents are to discuss in their proposal their experience and ability in completing these types of fuller-service tasks, providing examples where appropriate.

- The successful Proponent is expected work with CLCCF to develop and support a local forestry training and hiring plan.

- The successful Proponent is expected work with CLCCF to develop a financing arrangement for the above tasks including but not limited to, Marketing, Forestry Engineering, all Harvesting phases, waste and residue, silviculture, access development and infrastructure, and forest tenure management.

Within your proposal please provide details on how the above requirements can be met and what capacity (human and financial) that your company has to complete them.

2. REQUIRED FORMAT OF PROPOSALS

Sealed proposals shall be received by the CLCCF up to 4:00 pm on Friday October 6, 2017. Proposals received after this time and date will not be considered and will be returned unopened.

Proposals must be submitted in the format described below and shall contain all of the information required by the Request for Proposals to facilitate comparison and evaluation of proposals.

- **Letter of Transmittal** (signed by the contractor or principals of the firms involved)
- **Table of Contents** (and list of figures and appendices if applicable)
- **Executive Summary** (describing the nature and components of the proposal and how it meets the CLCCF's goals, objectives, mission and vision as set out in Section 1 of this Request for Proposals)
- **Proponent Identification** (description of contractor, firms or individuals to be involved in the proposed operation)
- **Details of the Qualifications and Experience** of the Proponents including evidence of technical capacity and ability to meet eligibility requirements.
- **Fee Structure:** dollars per cubic meter for Strategic Marketing rate _____\$/m³, (could be in connection with a profit share proposal). Financing rate prime plus _____.

Proposals shall be well organized and written in a concise, clear, complete and legible manner. Three (3) copies of the proposal in hard copy and one copy (1) of the proposal in "PDF" form with any

attachments in a form no larger than 11" x 17" paper to facilitate reproduction are to be submitted.

When evaluating the proposals, in addition to the information required above, the CLCCF will consider the following aspects, so Proponents are asked to provide information or agree on each main point, as relevant:

1. Ability to produce on time.
2. Past performance history. Proponents are to provide a minimum two references pertaining to the successful completion of similar work in the past.
3. Existing knowledge and experience with the CLCCF land base, terrain and issues.
4. Demonstrated success and compliance with Workers Compensation Act and Regulations. Does your company have a safety program? Is your WorkSafeBC account payment up to date? Is your company registered and certified in the BC Forest Safety Council?
5. What are your procedures for log sale payments, ie timing, distribution percentages etc?
6. Do you have any employees or suppliers in the Hope, Yale or FVRD areas? (note: not mandatory).
7. Location of your office.

3. GENERAL CONDITIONS

3.1 Eligibility Requirements

The successful contractor must possess:

- WorkSafeBC coverage (by including their WorkSafeBC number(s) in the proposal) and be up to date with their WorkSafeBC payments.
- \$5,000,000 Comprehensive General Liability Insurance (proof to be provided by the successful Proponent upon request). CLCCF to be a named ensured at the successful completion of a partnership arrangement.
- Be Safe Certified under the BC Forest Safety Council and be in good standing with WorkSafeBC.

It is the responsibility of the contractor to ensure individuals completing the work have the required safety training and experience as per the Workers Compensation Board of BC requirements.

Have a good working understanding of:

- WorkSafeBC Regulations
- Forest and Range Practices Act and Regulations

3.2 CLCCF Representative

Only the General Manager, as the CLCCF Representative, is authorized to communicate and officially deal with Proponents and all Proponents must communicate and officially deal with that person only.

The CLCCF Representative is the CLCCF General Manager:

Matt Wealick, MA RPF

mwealick@clccf.ca

(c) 604-845-3627

The General Manager may involve CLCCF Board members and resource people in meetings and discussions with Proponents and in evaluations of submissions.

3.3 Request for Proposals Clarification

If a Proponent has any questions about the content of this Request for Proposals, or about any matters relating to it (including as to any clarification, errors or omissions of or in this Request for Proposals), the question must be directed in writing or by email, and not verbally, to the CLCCF's representative to the contact email address set out above before 4:00. p.m. local time on October 2, 2017. The CLCCF's Representative will answer all questions in writing or by email. Where the CLCCF determines that any questions and answers might be material information for other Proponents to be aware of, the CLCCF will provide a copy of those questions and their answers before October 3, 2017 to each of the Proponents who had prior registered with the CLCCF Representative indicated they wish to receive any updates for this RFP.

3.4 Addenda

The CLCCF is entitled to issue written addenda changing this Request for Proposals at any time prior to October 2, 2017. Addenda may be issued only by the CLCCF's representative. Addenda will only be issued to Proponents who have notified the General Manager by prior email as having received or downloaded a copy of this Request for Proposals and wish to receive such updates. No change to this Request for Proposals is effective unless undertaken by an addendum issued under this section.

3.5 Proponent Representative

If a Proponent wishes to communicate with the CLCCF Representative prior to the closing date/time, that Proponent must advise the CLCCF's Representative by email to mwealick@clccf.ca, of the name, business address, telephone and fax number for an individual who is designated as the Proponent's representative for the purposes of this Request for Proposals. The Proponent's representative is the only person authorized to communicate with the CLCCF for the purposes of this Request for Proposals and the CLCCF

is not required to communicate or otherwise deal with any other person on behalf of the Proponent.

3.6 Access to the Site

Proponents may visit the land base by contacting the CLCCF Representative prior to October 3, 2017. There are no current gated areas, so access is open, but the CLCCF Representative can advise on the extent to which roads are accessible.

3.7 Delivery of Proposal and Deadline for Submissions

All submissions are to be in sealed envelopes clearly marked as follows:

CLCCF RFP 2017-01 PROPOSAL ENCLOSED

Request for proposal packages will be accepted by mail, courier or hand delivery, up to 4:00 p.m. on Friday October 6, 2017, and be directed to:

Matt Wealick
Cascade Lower Canyon Community Forest
314 Hudson Bay street
PO Box 1869
Hope BC V0X 1L0
Canada

3.8 Legal Relationship Created by and Nature of this Request for

Proposals Neither this Request for Proposals nor the submission of a proposal by a Proponent is intended to create a legal relationship between, or any duties or obligations on the part of the CLCCF or a Proponent.

If the CLCCF decides upon receipt and review of proposals to explore, negotiate or make further arrangements with any Proponents, it may do so, and until a written offer is made and accepted under signature of authorized CLCCF signatories based on an approved resolution of the CLCCF Board, no contractual relationship of any kind will exist.

In considering any proposals received whether compliant to this Request for Proposals or not, the CLCCF may discuss further and negotiate with anyone or all of the Proponents or none of the Proponents as it sees fit and may ultimately contract with one or more of the Proponents, or with none of the Proponents as in its unfettered discretion it considers desirable.

This Request for Proposals does not impose on the CLCCF any duty of fairness or natural justice to any or all respondents with respect this Request

for Proposals or the process it creates. Unless the CLCCF is expressly permitted or required by this Request for Proposals to “act reasonably”, the CLCCF is entitled to act in its sole, absolute and unfettered discretion.

3.9 Confidentiality of Proposals

All Proposals become the property of the CLCCF and will not be returned to the Proponents, except as expressly provided for herein. All Proposals will be held in confidence by the CLCCF unless disclosure is otherwise required by law.

3.10 Amend or Withdraw Proposals

Proponents may amend or withdraw their Proposal in writing any time prior to the closing date/time. Upon closing, all Proposals become irrevocable. The CLCCF will be under no obligation to receive further information after closing, whether written or verbal, from any Proponent.

3.11 Cancellation of RFP

The CLCCF may cancel this RFP at any time prior to or after closing. In the event the CLCCF cancels this RFP, the CLCCF shall have the right to seek to procure the same services or similar services at any time through any means the CLCCF deems appropriate. No Proponent shall acquire any rights or interests in any subsequent procurement process undertaken by the CLCCF.

3.12 Waiver of Non-Compliance

The CLCCF may waive any non-compliance with the RFP and may elect to retain for consideration Proposals which are non-conforming, which do not contain the content or form requested by this RFP or which have not strictly complied with the process for submission set out herein.

3.13 Proprietary Information

If a Proponent considers that any part of its proposal is proprietary, including by reason of its being copyright, the proposal must clearly identify those portions of it that are considered proprietary.

3.14 Responsibility or Liability

While the CLCCF has used considerable efforts to ensure information in this RFP and otherwise provided directly in association with this RFP is accurate, the information is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the CLCCF, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Proponents from the responsibility for conducting their own investigation and forming their own opinions with respect to the subject matter of this RFP.

Each Proponent acknowledges and agrees that it is solely responsible for obtaining its own independent financial, legal, accounting, engineering and other advice with respect to the contents of the Request for Proposals or any

such information as is described in this paragraph. By submitting a proposal, each Proponent irrevocably agrees that the CLCCF shall not be liable to any Proponent or any person whatsoever, for any claims of any nature (in contract, in tort, or otherwise), for any costs, expenses, compensation, damages, or anything whatsoever, including without limitation, costs and expenses associated with the Proponent's preparation and submission of their Proposal, their participation in this RFP, for loss of revenue, opportunity or anticipated profit, arising in connection with its Proposal, this RFP, any subsequent processes or opportunity, any contract, or any matter whatsoever.

Each Proponent who submits a proposal is deemed to have agreed that it is solely responsible and liable to ensure that it has obtained and considered all information necessary to enable to understand the requirements of the Request for Proposals and to prepare and submit its proposal.

3.15 Conflict of Interest

If relevant, Proponents shall disclose any potential conflict of interest and existing business relationship they may have with the CLCCF, its elected or appointed officials or employees.

3.16 Compliance with Regulations

The successful Proponent(s) will be responsible for complying with all municipal, provincial, and federal statutes, regulations, bylaws, and permits.

4. EVALUATION PROCESS

4.1 Evaluation Process

Submissions in response to this Request for Proposals will be evaluated by the CLCCF Representative and any other person designated by the CLCCF. Proponents may be required to personally present their proposal to the CLCCF evaluator(s).

4.2 Evaluation Criteria

Proposals will be evaluated based on the criteria requested in RFP sections 2 and 3.1. The CLCCF may give such weight to these evaluation criteria as it sees fit. Proponents shall be aware that there is always an undefined and even arbitrary element in such broad evaluations. The lowest rate may not be awarded depending on the other evaluation factors.

5. TERMS OF AGREEMENT

5.1 Further Process Leading to Contract

The CLCCF reserves the right to negotiate with the preferred Proponent, or any Proponent, on any details, including changes to specifications and price. The CLCCF may, but is not obligated to make an offer in regards to this RFP. Acceptance by a Proponent or Proponents in writing of that offer according to its terms will create legal relations. It is expected that both the CLCCF and successful Proponent will enter into a written service contract